

**OFFICE OF THE CHIEF FINANCIAL OFFICER**

16 October 2020

For submission to Mayor

**SCM REPORT FOR Q1 2020/2021**

**Purpose**

The purpose of this report is to inform the Mayor regarding the implementation of the Supply Chain Management (SCM) Policy adopted on 29 May 2020, in order to perform oversight role for the 2019/20 financial year.

**Background**

In terms of the **SCM Regulation 6(3)(4)** (3) The accounting officer must, within 10 days of the end of each quarter, submit a report on the implementation of the supply chain management policy to the mayor of the municipality or the board of directors of the municipal entity, as the case may be.

**Report on SCM**

The report will also cover the following sub-reports

- Tender register;
- RFQ register,
- Irregular expenditure report and
- Deviations
- Procurement Plan

See attached **annexures** of the above

**1. DISCUSSION**

**1.1 Capacity of SCM Unit**

<b>Number of funded post</b>	<b>Number of filled post</b>	<b>Number of vacant post</b>	<b>Date to fill Vacant Posts</b>
4	2	2	2020/2021 financial year

## 1.2 Statistical information

### 1.2.1 Acquisition and Comparison

Description	2020/2021 Financial Years		Increase/Decline
	Number of orders issued (April –June)	Number of orders issued (July-September)	
Number of deviations	09	04	Decreased

### 1.2.2 Deviations and Comparisons

Total value for deviations	2020/2021 Financial Year		Increase/Decline
	Previous Quarter	This Quarter	
	R 1 998 637.15 (Vat excl.)	R 74 201.51 Vat excl.)	<del>Increase</del> Decrease

## 1.3 Procurement through SCM Regulation 32

Description	2020/2021 Financial Year			The name of the Entity and the Service Provider that SCM Regulation 32 was sourced from.	Comments
	Previous Quarter	This Quarter	Increase/Decrease		
Number of tenders awarded through SCM Regulation 32.	0	0	-		
The total value of tenders awarded through SCM Regulation 32.	0	0	-		

#### 1.4 eTender Publication Portal

Description	2020/2021 Financial Year			Comments
	Previous Quarter	This Quarter	Increase/Decrease	
The number of tenders published.	0	0	-	
The number of tenders cancelled.	None	None	-	
The number of tenders re-advertised.	None	None	-	
The number of tenders with extended validity periods.	None	None	-	
The number of tenders awarded.	0	0	-	
Value of tenders awarded	0	0	-	

#### 1.5 Competitive bidding process

The table below indicates the number and value of tenders awarded:

Description	2020/2021 Financial Years		Increase/Decline	Comments
	Previous Quarter	This Quarter		
Number of tenders awarded	0	0	-	
Value of tenders awarded	0	0	-	

## 2. DATABASE ADMINISTRATION

- The municipality is using the Centralized Supplier Database system which is then synchronized into the municipal financial system (Munsoft). The suppliers are managed by regularly updating their information in CSD before procuring any goods and/or services from them.

### 3. ADOPTION OF SCM POLICIES

- The SCM policy has been reviewed and adopted by council.

### 4. SIPDM

It has been implemented and adopted by council.

#### **Legal implication(s)**

Compliance with the Local Government: Municipal Finance Management Act 56 of 2003

#### **Financial implication(s)**

None

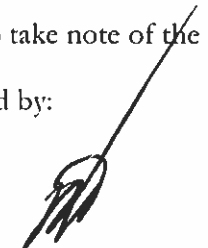
#### **Parties consulted**

SCM Officials and SCM Accountant

#### **Recommendation(s)**

Mayor to take note of the SCM report for October 2020.

Compiled by:



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**P Dyonase**  
**Chief Financial Officer**

Acknowledged and received by:



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**I Mehlomakulu**  
**Honorable Mayor**



**MOHOKARE**  
LOCAL MUNICIPALITY

**Bids Register**

Reporting Period :		2020/2021 Q1		Mohokare Local Municipality		Mohokare Local Municipality		Bid Committee Meeting Dates					
Name of Municipality	Bid nr.	Goods, Infrastructure Projects, Service Description	Advert Date	Compulsory Briefing Session	Closing Date	Specification Committee	Evaluation Committee	Adjudication Committee	Award Date	Name Of Bidder Awarded	Amount (Excl. VAT)		
July													
August	No Bids advertised												
September	No Bids advertised												
	No Bids advertised												

**Notes:**

1. SCM numbers in between will be found in the RFQ register.

Prepared by: .....  
P.G Lesenyehlo  
Acting: SCM Accountant

Reviewed by: .....  
E Wilken  
Senior Manager: Financial Services

Final Review by: .....  
P Dyonase  
Chief Financial Officer

RFQ Register 2020/2021										
Month/End-user	Advert date	SCM number	Description	Closing date	No. of Bids/Offers received	Ad-hoc date	Awarded to	Appointment date	Amount (Excl. Vat)	Status
<b>July</b>										
Financial Services	17/07/2020	SCM/MOH/13/RFQ/2020	Assistance with the review and sanitation of the trade payables sub-ledger	24/07/2020	3	27/08/2020	Bathusi Financial Services (Pty) Ltd	27/08/2020	R 172 520,00	Ongoing
Financial Services	17/07/2020	SCM/MOH/14/RFQ/2020	Assistance with the correction of prior period errors	26/07/2019	4	03/08/2020	Bathusi Financial Services (Pty) Ltd	03/08/2020	R 151 200,00	Ongoing
<b>August</b>										
Technical Services	06/08/2020	SCM/MOH/15/RFQ/2020	Supply and Installation of Dosing Pump	14/08/2020	1	14/08/2020	IC ABCO (PTY) LTD T/A Water Technology	14/08/2020	R 37 801,41	Services rendered
Corporate Services	11/08/2020	SCM/MOH/16/RFQ/2020	Supply and Delivery of Personal Protective Equipment for Covid-19	18/08/2020		Not yet held	Not yet awarded			
Corporate Services	11/08/2020	SCM/MOH/17/RFQ/2020	Supply and Delivery of Fumigating Trigger Spray	18/08/2020		Not yet held	Not yet awarded			
Technical Services	27/08/2020	SCM/MOH/18/RFQ/2020	Re-advert: Supply and Delivery of Water Testing Material	04/09/2020	3	12/10/2020	SedAdaphaba (Pty) Ltd	22/10/2020	R162 390	Not yet delivered
<b>September</b>										
Financial Services	07/09/2020	SCM/MOH/19/RFQ/2020	Assistance with the correction and reconciliation of prior year errors on revenue and receivables from exchange and non exchange transactions	14/09/2020	4	14/09/2020	Bathusi Financial Services	14/09/2020	R 154 480,00	Ongoing
Financial Services	07/09/2020	SCM/MOH/20/RFQ/2020	Drafting of Annual Financial Statement in Caseware	14/09/2020	4	14/09/2020	Bathusi Financial Services	14/09/2020	R 125 930,00	Ongoing
Corporate Services	08/09/2020	SCM/MOH/21/RFQ/2020	Supply Antivirus Software	16/09/2020	9	09/10/2020	Aves Cyber Security (Pty) Ltd	15/10/2020	R 33 000,00	Not yet delivered

Notes:  
1. SCM numbers in bold will be found in the Bid Register.

Prepared by:

P Lesenyeho  
SCM Unit

Reviewed by:

E Wälén  
Senior Manager: Financial Services

Final review by:

P Dyonase  
Chief Financial Officer

R 0,00

Register of Irregular, Fruitless and Wasteful Expenditure JULY 2020/2021

Mohokare Local Municipality		Transaction details				Person Liabilities				Status					
No	Date of Payment	Payment Number	Amount	Payee / service provider	Description of Incident	Additional/ General	Person Liabilities (Official or Political Office Bearer)	Type of Prohibited Expenditure	UI	DP	CC	TR	P	WO	General comments
UI: Irregular expenditure Under Investigation DP: Disciplinary process initiated against responsible person CC: Criminal charges laid with SAPS TR: Transferred to receivables for recovery P: Paid or in process of paying in instalments WO: Written-off by council as irrecoverable															

Abbreviations:

- UI: Irregular expenditure under investigation
- DP: Disciplinary process initiated against responsible person
- CC: Criminal charges laid with SAPS
- TR: Transferred to receivables for recovery
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Prepared by:



P Lesenyehlo  
SCM unit

Reviewed by:



E Wilken  
Senior Manager: Financial Services

Final reviewed by:



P Dyonass  
Chief Financial Officer

Mohokare Local Municipality										Transaction details				Person Liable (Official or Political Office Bearer)				Type of Prohibited Expenditure				Status				General comments	
No	Date of Payment	Payment Number	Amount	Payee / service provider	Description of Incident	Additional/ General	Previous finding by AG	Additional/ General	Previous finding by AG	Person Liable (Official or Political Office Bearer)	Type of Prohibited Expenditure	UI	DP	CC	TR	P	WO	General comments									
1	11/08/2020	16411	R 25 127,70	Netstar	Fleet Management	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓											
2	11/08/2020	16418	R 211 550,00	CUA Trio Holdings	Water Chemicals	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓				Deemed irregular because of the composition of the BAC							
3	11/08/2020	16405	R 403 374,00	Ho See & Si	Water Chemicals	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓				Deemed irregular because of the composition of the BAC							
3	11/08/2020	16416	R 64 680,00	Rem-Corp	Water Chemicals	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓				Deemed irregular because of the composition of the BAC							
4	12/08/2020	16537	R 285 112,50	Nqheisoele Consulting	Water Chemicals	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓				Deemed irregular because of the composition of the BAC							
5	13/08/2020	16556	R 180 000,00	CUA Trio Holdings	Water Chemicals	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓				Deemed irregular because of the composition of the BAC							
6	13/08/2020	16557	R 154 850,00	CUA Trio Holdings	Water Chemicals	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓				Deemed irregular because of the composition of the BAC							
7	18/08/2020	16570	R 323 530,39	MVD Valuer	Professional Services	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓				Deemed irregular because of the composition of the BAC							
8	20/08/2020	16580	R 1 222 165,14	Lohan Civils	Upgrading of the Rouville/Relethunya Water Treatment Works	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓											
9	27/08/2020	17003	R 3 579 451,62	Lohan Civils	Upgrading of Zastron Water Treatment Works	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓											
	27/08/2020	17022	R 302 273,30	Nqheisoele Consulting	Water Chemicals	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓					Deemed irregular because of the composition of the BAC						
10	28/07/2020	17012	R 50 000,00	Durchame Consulting	Professional Fees	Previous finding by AG	AG	Previous finding by AG	AG	S Selepe and P Dyonase	Irregular Expenditure	✓				✓					Deemed irregular because of the composition of the BAC						

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 Senior Manager: Financial Services

Final reviewed by:   
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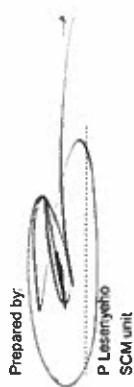
R 129 469,11

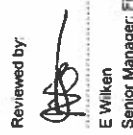
Register of Irregular, Fruitless and Wasteful Expenditure September 2020/2021

Mohokare Local Municipality		Transaction details				Person liable				Status					
No	Date of Payment	Payment Number	Amount	Payee / service provider	Description of Incident	Additional General	UI: Irregular expenditure under investigation DP: Disciplinary process initiated against responsible person CC: Criminal charges laid with SAPS	Type of Prohibited Expenditure	UI	DP	CC	TR	P	WO	General comments
3	23/09/2020	17534	R 129 469,11	Maitronic Direct Marketing CC	Professional Services	Previous finding by AG		Irregular Expenditure	y				y		Deemed irregular because of the composition of the BAC

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**Register of Deviations**

No	Date of deviation	Date approved by Accounting Officer	Reporting Period: July-September 2020			Description of Incident	Service Provider	Reason for Deviation
			Date of Payment	Payment Number	Amount			
1	18/08/2019	18/08/2020	10/09/2010	17049	R 13 100.00	Data recovery from extremely damaged hard drive	Compu Doctor	Strip and quote
2	27/08/2020	27/08/2020	27/08/2020	17021	R 11 798.00	Repair Tsurami Submersible pump	OFS Rewind	Strip and quote
3	27/08/2020	27/08/2020	09/09/2020	17044	R 14 270.00	Repair Municipal vehicle HGB 295 FS	Infusion Projects	Strip and quote
4	14/09/2020	14/09/2020	16/09/2020	17184	R 35 033.51	Repair Mayoral car (FWB 167 FS)	Audi Bloemfontein	Sole Provider that can properly repair Audi Q5
					R 74 201.51			

I hereby certify that the above-mentioned information is accurate and complete.

**Mr. PM Dyonase**  
Chief Financial Officer

Date: 16/10/2020

Project	Funder	Funder	Scoring system	Consultant / Contractor / Supplier	Anticipated minimum CIDB Grading (For contractors only)	Proposed date for BSC	Timeframes				Proposed date for BAC	Proposed date for awarding of tender
							Date of Advert	Site briefing date	Tender closing date	Proposed date for BEC		
Smithfield / Mofolatshepe: Upgrading of the outfall sewer line in Tledi Village, Phase 1	Department of Water & Sanitation (DWS)	Water Services Infrastructure Grant (WSIG); COVID-19	80/20	Contractor	5CE PE	17-Jul-20	24-Jul-20	31-Jul-20	21-Aug-20	24-Aug-20	26-Aug-20	28-Jul-20
Rouxville / Roleleathunya: Upgrading of the Waste Water Treatment Works (WWTW)	Department of Cooperative Governance and Traditional Affairs (CoGTA)	Municipal Infrastructure Grant (MIG)	80/20	Contractor	5CE PE	2-Apr-21	9-Apr-21	16-Apr-21	7-May-21	10-May-21	12-May-21	14-May-21
Smithfield / Mofolatshepe: Construction of a raw water pipe line and pump stations	Department of Water & Sanitation (DWS)	Water Services Infrastructure Grant (WSIG)	80/20	Contractor	8CE PE	22-Jan-21	29-Jan-21	5-Feb-21	19-Feb-21	22-Feb-21	24-Feb-21	26-Feb-21
Smithfield / Mofolatshepe: Construction of 6ML raw water storage reservoir	Department of Water & Sanitation (DWS)	Water Services Infrastructure Grant (WSIG)	80/20	Contractor	6CE PE	2-Apr-21	9-Apr-21	16-Apr-21	7-May-21	10-May-21	12-May-21	14-May-21
Mohokare WCWDM: Installation of 10 793 pre-paid water meters	Department of Water & Sanitation (DWS)	Water Services Infrastructure Grant (WSIG)	80/20	Consultant	N/A	22-Jan-21	29-Jan-21	5-Feb-21	19-Feb-21	22-Feb-21	24-Feb-21	26-Feb-21
		Water Services Infrastructure Grant (WSIG)	80/20	Contractor	7CE PE	7-May-21	14-May-21	21-May-21	18-Jun-21	21-Jun-21	23-Jun-21	25-Jun-21
Rouxville / Roleleathunya: Construction of sports ground	Department of Cooperative Governance and Traditional Affairs (CoGTA)	Municipal Infrastructure Grant (MIG)	80/20	Contractor	4CE PE	2-Apr-21	9-Apr-21	16-Apr-21	7-May-21	10-May-21	12-May-21	14-May-21